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Steelcase Inc. E1Q10 (Qtr End 05/29/09) Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions) Your first question comes from the line of Mark Rupe - Longbow Research

Mark Rupe - Longbow Research

Just a quick housekeeping question on the restructuring that you announced this morning, when will we start to see the benefit of that?

David Sylvester

On the webcast slide you will notice that we broke the restructuring benefits into two buckets, the temporary which is associated with the retirement plan contribution elimination of \$10 million, that went into effect at the start of the first quarter. And the remaining \$20 million are spread over the balance of the year.

What I would tell you is that we roughly would say that we will implement 40% of the actions throughout the second quarter, maybe another 40% in the third quarter and probably the final 20% in the fourth quarter. So you'll start to see benefits in the third and fourth quarter and into next year.

Mark Rupe - Longbow Research

Okay and then just sort of, I mean clearly you have done such a phenomenal job of cutting costs throughout the downturn are there more opportunities out there if this does go on longer then we're expecting right now.

David Sylvester

I would tell you that the way we are running the company right now is we, as we implement our contingency plans we build additional contingency plans. So we're, we will be prepared to take additional actions as necessary.

The big question is where does it go from here. And its still pretty fuzzy out there so I'll stay away from given kind of a perspective on the full fiscal year. We've gone a heck of a lot very quick already.

Operator

Your next question comes from the line of Budd Bugatch - Raymond James

Budd Bugatch - Raymond James

Couple of questions, could you quantify for us the pricing benefit that you saw in the quarter in isolation not including the commodity deflation and I guess we're getting fairly close lapping that price increase that I think was maybe second quarter of last year, so how much longer will we expect that to persist.

David Sylvester

I guess what I would tell you is that the pricing benefit in the quarter was modest. It was related to us continuing to move customers from old prices lists. And you know how that works in our industry so you kind of each quarter have a little bit of opportunity to do that and we accomplished some of that again in the first quarter.

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